

Message Text

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ACTION SAS-02

INFO OCT-01 EUR-12 ISO-00 SS-15 DOE-15 SOE-02 ACDA-12
NRC-05 CIAE-00 INR-10 NSAE-00 IO-13 L-03 NSC-05
OES-09 SP-02 NEA-10 /116 W
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P 121708Z SEP 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC PRIORITY 9919
AMEMBASSY VIENNA PRIORITY

S E C R E T SECTION 01 OF 02 LONDON 14704

USIAEA PASS AMB GERARD SMITH

EO 11652: X-GDS-1
TAGS: MNUC, TECH, UK
SUBJ: SMITH/NYE MEETING WITH BONDI/MOBERLY

REF: STATE 213992

1. SUBJECT MEETING TOOK PLACE IN LONDON ON 11 SEPT;
FOLLOWING REPORT IS KEYED TO TOPICS AS THEY AROSE.
HERZIG AND FULLERTON OF UK DEPT OF ENERGY ALSO SPOKE AT
THE SESSION.

2. WHITE SMOKE STUDY. BONDI SAID IAN SMART FEELS A
GOOD START WAS MADE IN VIENNA. UK FINANCIAL SUPPORT WAS
SLOW IN COMING BUT SHOULD BE REASONABLY WELL SETTLED THIS
WEEK. AMB SMITH CONFIRMED US SUPPORT WAS WELL IN HAND
AND WILL BE MANAGED BY THE BROOKINGS INSTITUTE. BONDI,
HERZIG SAID THE CONSULTANTS SHOULD CONDUCT THE STUDY BUT
GOVERNMENTS SHOULD MAKE SURE THEY GET UNDER WAY PROMPTLY.
HERZIG NOTED THE US DEPT OF ENERGY HAS ALSO COMMISSIONED
A PARALLEL STUDY WITH KRATZOR AND ASKED WHETHER THAT
WOULD CAUSE ANY PROBLEMS. SMITH SAW NO DIFFICULTY WITH
DUPLICATION AND SAID HE UNDERSTOOD IAN SMART WOULD HAVE
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A FIRST DRAFT WITHIN THE NEXT TWO MONTHS.

3. INFCE. SMITH REVIEWED HIS IMPRESSION OF THE AUGUST
CHEYES CONSENSUS. THE FINAL PLENARY WILL BE IN FEB
1980. (BRITISH AGREED). THE EXERCISE IS GOING WELL.
(BRITISH AGREED IT WAS GOING WELL SO FAR). THERE SHOULD
BE AN OVERALL FINAL REPORT, TO COVER SUCH MATTERS AS

FUTURE NUCLEAR POWER GROWTH, FUEL SUPPLY, GENERAL RECOGNITION THAT THE NUCLEAR AREA IS A SENSITIVE ONE, ETC. BONDI SAID THE SALIENT POINT IS THAT, THANKS TO INFCE, THE INTERNATIONAL IMPORTANCE OF THESE MATTERS HAS BEEN RE-EMPHASIZED. SMITH SAID THE CONSENSUS WAS THAT THE TCC SHOULD PREPARE A FINAL REPORT, HOPEFULLY WITH ONLY GENERAL GUIDANCE. A DRAFT COULD BE BEGUN BY CHEYES, ASSISTED BY THE SECRETARIAT AND INTERESTED CAPITALS. BONDI SAID HE WAS ENTIRELY IN AGREEMENT WITH THE PROPOSAL. IF A FINAL REPORT IS DONE ONLY BY THE WORKING GROUPS, SOMETHING WILL BE LOST, SO SOMETHING OVERALL IS NEEDED. ALSO, ANY SELECTIVE DRAFTING GROUP WOULD LEAD TO ENDLESS DEBATE, SO THE INITIAL DRAFTING MUST BE DONE BY ONE OR TWO PEOPLE.

4. CHAIRMANSHIP OF INFCE PLENARIES. SMITH SAID EFFAT OF EGYPT WOULD SEEM A LIKELY CHAIRMAN FOR THE NOV 1978 PLENARY BUT CHEYES WOULD BE A POSSIBILITY IF NOBODY ELSE COULD BE AGREED UPON. BONDI SAID AN LDC CHAIRMAN WOULD BE DESIRABLE AND EFFAT IS A GOOD POSSIBILITY. WE SHOULD MAKE IT CLEAR WE DON'T REGARD INDIA AS A LEADER IN THIS AREA. HOW AND WHEN TO SUPPORT EFFAT HASN'T YET BEEN DISCUSSED IN THE UK, NOR HAS THE QUESTION OF WHO ELSE IS IN THE RUNNING. HERZIG QUESTIONED EFFAT'S PERFORMANCE IN THE TCC AND SUGGESTED HE MAY NOT BE ABLE TO CONTROL THE PLENARY IF THE DISCUSSION SHOULD BECOME PERSISTENT. SECRET

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ALSO, WE WOULD NEED TO SOUND OUT THE OTHER LDCS ABOUT EFFAT. MOBERLY ASKED HOW STRONGLY THE US FELT THAT CHEYES SHOULD NOT CHAIR. BONDI SAID THAT CHEYES NEEDED TO KEEP HIS CREDIBILITY FOR THE FINAL REPORT AND THAT, IF HE WERE ALSO CHAIRMAN AND REPORTING TO HIMSELF, THAT CREDIBILITY MIGHT BE STRAINED. THUS, THERE WAS MERIT IN HAVING A SEPARATE CHAIRMAN, AND AN LDC IF A GOOD ONE AVAILABLE. SMITH AGREED AND ASKED IF THE UK WOULD UNDERTAKE TO SOUND OUT EFFAT.

5. BONDI SAID TIME WAS VERY SHORT TO CLEAR EFFAT'S CHAIRMANSHIP COMPLETELY. IT WOULD HELP IF, FOR EXAMPLE, ARGENTINA COULD NOMINATE EFFAT. WITH RESPECT TO EFFAT'S LEADERSHIP, WE COULD AFFORD A LITTLE CHAOS AT THE NOVEMBER PLENARY, BUT NOT AT THE FINAL ONE. IF EFFAT IS SUCCESSFUL, HE CAN CHAIR THE FINAL PLENARY AS WELL; IF NOT, HE CAN BE DROPPED. (EMBASSY COMMENT: ON 12 SEPT HERZIG SAID THE UK STILL HAS DOUBTS ABOUT EFFAT AND WILL DISCUSS THE MATTER FURTHER WITH SMITH IN VIENNA THIS WEEK).

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6. LOCATION OF FINAL PLENARY. SMITH SAID THE LOCUS
MIGHT BE VIENNA, BUT US IS NOT ADVERSE TO GOING ELSE-
WHERE.

7. PERSONNEL CHANGES. SMITH NOTED THAT NYE, SHEINMAN,
FARLEY WOULD DEPART. HE SAID NYE WOULD BE REPLACED BY
FRANK HODSEL FROM AMB RICHARDSON'S STAFF AND CHARLES
HEBEL FROM XEROX. SMITH SAID GEORGE RAFTENS WOULD JOIN
AFTER THE FIRST OF THE YEAR, AND IT IS A GOOD SIGN WHEN
PEOPLE OF THIS CALIBRE WILL INTERRUPT THEIR CAREERS FOR
A LONG PERIOD (18 MONTHS) FOR SUCH AN ASSIGNMENT.

8. FUEL BANK. HERZIG SAID UK DEPARTMENTS HAVE NOT YET
DISCUSSED, BUT UK WOULD PROBABLY SUPPORT. FULLERTON AND
HERZIG WONDERED WHETHER THE PROPOSAL WAS TOO LIMITED.
NYE EXPLAINED THAT THE OBJECT OF THE BANK WAS TO PROVIDE
SUFFICIENT ASSURANCE TO STATES NEWLY ENTERING THE
NUCLEAR ENERGY SYSTEM THAT FUEL SUPPLIES WOULD NOT BE
DENIED THEM AS LONG AS THEY MET THE PROPER SAFEGUARD
CONDITIONS. IT WAS NOT MEANT TO COVER THE NEEDS OF
COUNTRIES ALREADY HEAVILY INTO NUCLEAR PROGRAMS LIKE
THOSE IN EUROPE. HE NOTED THAT PHILIPPINES AND IRAN HAD
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REACTED POSITIVELY TO PRELIMINARY SOUNDINGS. THE UK SIDE REMAINED UNCOMMITTED BUT AGREED THAT ACCEPTANCE BY THE TARGETTED COUNTRIES (LDCS) WOULD BE A STRONG ARGUMENT IN FAVOR OF THE BANK. NYE SAID THE 1980 NPT REVIEW CONFERENCE WILL RAISE THE QUESTION OF WHAT WE HAVE DONE TO ASSURE SUPPLIES. WE INTEND TO DISCUSS THE BANK WITH THE SOVIETS BUT NOT IN FULL DETAIL.

9. PLUTONIUM STORAGE. MOBERLY SAID HE RECOGNIZED THE US HAS DOUBTS WHETHER INTERNATIONAL PLUTONIUM STORAGE IS A USEFUL CONCEPT. THE BEST THING INFCE COULD DO WOULD BE TO GIVE FORCE TO THE IAEA DISCUSSIONS. BONDI SAID THE NPT REVIEW IS NOT THE RIGHT PLACE FOR HANDLING THIS QUESTION WHICH DESERVES MUCH THOUGHT. FULLERTON ASKED WHETHER THE US EMPHASIS WAS ON SPENT FUEL STORAGE OR ON SEPARATED PLUTONIUM. NYE URGED HIM TO PURSUE THE POINT WITH BORIGHT IN VIENNA.

10. RESEARCH REACTORS. BONDI NOTED THAT US AND UK VIEWS DIFFERED ON THE SUPPLY OF RESEARCH REACTORS. WHILE BOTH SIDES AGREED THAT DEFINITION OF WHAT CONSTITUTES HIGHLY ENRICHED URANISM MIGHT BE HIGHER THAN CONVENTIONALLY ACCEPTED LEVEL OF 20 PERCENT (BONDI MENTIONED 28 PERCENT), BOTH ALSO AGREED THAT IT WAS DESIRABLE TO CONTINUE TO AIM AT GENERAL ACCEPTANCE THAT ANYTHING OVER 20 SHOULD BE CONSIDERED HEU. NYE SAID AGREEMENT HAD BEEN REACHED WITH MALABY IN WASHINGTON AND WE WERE READY TO GO IN THE SUPPLIERS' GROUP. OUTSTANDING ISSUE WAS WHAT SAFEGUARDS WOULD BE NEEDED. US REQUIREMENT WAS NPT ADHERENCE WITH FALL-BACK TO FULL-SCOPE SAFEGUARDS. A QUESTION ARISES WITH NEW COUNTRIES GETTING RESEARCH REACTORS WHERE FULL-SCOPE SAFEGUARDS ARE NOT MEANINGFUL. US WILL INSIST ON STRINGENT SAFE-
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GUARDS, BUT DOES NOT PARTICULARLY FAVOR UK MODEL AGREEMENT TYPE APPROACH. OUR RESPECTIVE POSITIONS ON REACTORS MAY DIVERGE MORE LATER. ON FUEL, THERE IS NO DISAGREEMENT LEFT. HERZIG ASKED WHETHER THE ISSUE HAD BEEN RAISED WITH THE FRENCH. NYE SAID IT HAD NOT BECAUSE WE DID NOT WANT TO ENGAGE FRENCH WITH TOO MANY CONTROVERSIAL ISSUES AT ONE TIME.

11. INDIAN PROPOSAL ON SAFEGUARDS. NYE SAID WE HAVE TOLD THE INDIANS WE ARE NOT ENTHUSIASTIC ABOUT THEIR PROPOSAL IF IT IS A ROLL-BACK ON SAFEGUARDS. HOWEVER, WE ARE WILLING TO CONTINUE DISCUSSION WITH THEM TO DRAW THEM OUT FURTHER. THE PRESIDENT'S REPLY TO DESAI WAS DESIGNED TO ENCOURAGE FURTHER TALKS WHILE ALSO STRIKING A CAUTIONARY NOTE. THE INDIANS SAY THEY ARE NOT YET FAR

ENOUGH ALONG TO DISCUSS A PROPOSAL. BONDY SAID WE MUST NOT EVEN HINT TO THE WORLD THAT INDIA IS IN A FAVORED POSITION, GIVEN WHAT THEY DID, BUT WE CAN RESPOND CONSTRUCTIVELY. NYE SAID THE INDIAN PROPOSAL MAY BE A DEAD-END AND POSSIBLY IT CAN BE ABANDONED QUIETLY. BUT SINCE THIS IS THE FIRST INDIAN GESTURE TOWARD SAFEGUARDS, WE SHOULD NOT DISCOURAGE THEM UNDULY.

12. THIS MESSAGE WAS PREPARED AFTER THE DEPARTURE OF AMB SMITH AND MR. NYE.

BREWSTER

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